

**00823**

**1986/09/23**

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**DATE & TIME TRANSMITTED**

**MSG NBR**

**DATE & TIME RECEIVED**

**TO BE COMPLETED BY REQUESTOR**

FROM Cdr T.T. Hinman OFFICE/DESK OUSDRE/IPT/ASH PHONE NBR 694-7294  
SUBJECT PRC Launch Services

**DELIVERY INSTRUCTIONS:**

PAGES 5

- HOLD FOR NORMAL DUTY HOURS  
 IMMEDIATELY

**NOTE: FURNISH AFTER DUTY HOUR CONTACT TELEPHONE NUMBER  
FOR EACH ADDEE REQUIRING AFTER DUTY HOUR DELIVERY**

**TRANSMIT TO**

**REMARKS:**

JCS J-3 FORM 6  
JAN 14

**REQUEST/RECEIPT FOR TRANSMISSION**

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**STAMP OR PRINT CLASSIFICATION/CODEWORD**

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LJG

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
FOR RESEARCH AND ENGINEERING

Date 9/23/86

Memo for Dr. Strauss (1C469)

Maj Maler (DTSA)

Mr. Marquis (30174)

LTC Woon (JCS)

LTC Brown (401034)

Dr. Speier (2D526)

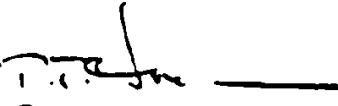
Mr. Levine (DOS/EAP/C) ←

Ms. O'Sullivan (4C840)

SUBJ: PRC Launch Services

Attached is an update to the proposed trip book backgrounder for SecDef. TSP/DTSA concerns are included which raise the question of larger, second party commercial launch policy. The Western Union case is couched in somewhat more cautious terms as well.

Request your coordination by Noon, 25 Sep 86.

  
Tom Hinman

Attachment: a/s

UNCLASSIFIED UPON REMOVAL  
OF ATTACHMENT.

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## TALKING POINTS

### PRC Satellite Launch Services (U)

- Your space launch services initiative is currently under consideration by DoD. National security concerns require full and detailed review.
- The Western Union (WESTAR-VI) license request has been received and is being reviewed. It is premature to state whether it will be approved.
- We are impressed by the flexibility China has expressed regarding technology transfer safeguards such as 24-hour control of the satellite and provisions for pre-launch testing.
- On the other hand, I would be remiss not to inform you that the USG not only has national security concerns with regard to this project but also economic concerns. As you know, in August President Reagan initiated our own domestic commercial space launch program. To that end we must be sensitive to the needs and concerns of that effort.
- The launch services question is related to the long-standing US policy, about which you already know, opposing the proliferation of strategic missiles and their technology. Transfers of space launch vehicle technology inevitably entail transfers of ballistic missile technology, because the two are interchangeable. I hope you understand our concern. I must caution you that PRC assistance to strategic missile programs of other nations--either directly or by your exports of space launch technology--may have an effect upon the resolution of the launch services question.

#### (IF RAISED:)

- All satellites, even non-military, are on US Munitions List. Therefore, such exports, even temporarily, to any country, must be licensed by Office of Munitions Control.
- Does not mean we have negative attitude toward such transactions. Same considerations apply whether licensed as munitions item by State or a dual-use item by Commerce. Most of the same agencies review the transaction.
- Still studying question of COCOM review of such a transaction. COCOM questions more complex than US licensing because involve multilateral arrangements.

CDR T.T. Hinman, USN  
OUSDRE/IPT  
x47294/5  
23Sep86

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**BACKGROUND PAPER**

**PRC Satellite Launch Services (U)**

**PURPOSE:** (U) To provide information on potential PRC launch of US COMSATS.

**POINTS OF MAJOR INTEREST:**

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- o (U) Western Union, which is seriously considering a March 1988 launch of its communications satellite into geostationary orbit by the China Great Wall Industrial Cooperation, has recently requested a license to provide the PRC with interface data. This is being carefully scrutinized as our first specific export case. Issues on this and future cases have policy, technical, and procedural components.

-- Policy:

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-- Technical:

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— Procedural:

oo (U) Western Union request has been received in DoD and processing is in progress.

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EXPECTED DEVELOPMENTS:

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